



Annual Report 1974

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Annual Statement Highlights

	1974	1973	% INCREASE
TOTAL ASSETS	\$481,791,513	\$317,866,195	51.6
DEPOSITS	445,590,129	295,304,818	50.9
LOANS	337,335,831	235,066,995	43.5
SECURITIES	30,600,312	16,242,237	88.4
BALANCE OF REVENUE	1,842,704	1,313,808	40.3
BALANCE OF REVENUE AFTER PROVISION FOR INCOME TAXES	873,704	663,808	31.6
BALANCE OF REVENUE PER SHARE AFTER PROVISION FOR INCOME TAXES	1.71	1.30	31.6
DIVIDEND PAID	255,278	255,278	—
DIVIDEND PER SHARE	.50	.50	—
CAPITAL FUNDS (Including Accumulated Appropriations for Losses.)	21,048,775	19,787,440	6.4
NUMBER OF SHARES ISSUED	510,555	510,555	—



**Bank of
British Columbia**

**Seventh
Annual Report
1974**

Canada's Western Bank



Address by the Chairman

Today's troubled economic conditions present me with more topics for discussion than I could hope to cover in a single speech. Therefore, I have restricted my comments to three areas which I think are important to Canada and, in particular, to British Columbia. These are: international oil payments, inflation and recent provincial legislation.

Although we in Canada are in the enviable position of self-sufficiency in oil resources, our economy as a whole is highly dependent on external trade. We therefore have a responsibility in the maintenance of healthy world trade patterns and must be concerned with recent events in the petroleum sector of the world economy.

Approximately fourteen months ago the organization of petroleum exporting countries, known as O.P.E.C., instituted an embargo on oil exports to the consuming countries of the Western world. The initial purpose of this embargo was to gain political allies for the Arab cause. What concerns us today are the economic effects of that political action.

Oil production dropped from 48 to 43 million barrels a day in the non-Communist world. Supply shortages, market distortions and rapidly rising petroleum prices were the immediate and drastic results of a partial embargo. The O.P.E.C. countries quickly discovered that through their united political action they were in possession of vast economic power. Previous attempts to raise oil prices by forming a marketing cartel had not been successful, but the political embargo seemed to act as a unifying force for the Arab countries. As the embargo was relaxed, the O.P.E.C. countries imposed extremely high prices for their crude oil. The higher export prices have been holding throughout this year, and the total O.P.E.C. revenues from exports moved up sharply from \$25 billion in 1973 to an estimated \$85 billion for 1974. The O.P.E.C. countries, however, are expected to spend only approximately \$30 billion on import goods and services this year. The important question which follows is, "what will happen to the \$55 billion surplus for 1974 and to similar surpluses in following years?"

This amount of money is truly a massive transfer. In size it is approximately equal to the total of all federal and provincial expenditures for 1974. Until recently, the private and central banking systems of the world have not been required to facilitate the staggering flows of money now being generated by the higher prices of crude petroleum. Thus far, however, the international banking sector has risen to the task and most of the surplus funds for the first six months of this year have been successfully invested in western countries: the largest recipients being the United States, the United Kingdom, Japan and North-Central Europe. However, there have been short-term difficulties facilitating this tremendous flow of funds and we can anticipate long-term problems as well.



Albert E. Hall, Chairman

The immediate problem is that the Arab countries have shown a strong preference for short-term investments. Most of their investments have been in short-term government securities and short-term certificates of deposit with major banks. With the volume of money being transferred, it won't take long for the banking system to run out of sound, short-term re-investment opportunities. They are in fact faced with three possible alternatives. First, banks could accept additional short-term deposits which would be loaned for re-investment in less secure short-term ventures. Second, banks could accept additional short-term deposits which would be loaned for re-investment in secure long-term situations. This type of lending would, however, put the banking system in the unsound position of not being able to satisfy these large, short-term deposit liabilities if called upon to do so. Also, lending of this type would require the banking system to take unreasonable risks of an upward movement in short-term interest rates while committed to long-term loans. The third alternative would be for the banking system to refuse additional short-term deposits. Certainly, none of these options is attractive.

To compound the problem, the O.P.E.C. countries not only have preferences for short-term investments, they also have a strong preference for investing in the major industrialized countries of the world. Herein lies the important long-term

difficulty. Although it is true that the industrialized countries require additional investment from abroad to compensate for new increased trade deficits, it is the developing countries which are suffering most under the strain of the new oil prices. In many cases, the extra money which these countries must spend on oil will amount to more than 20% of their combined income from exports plus foreign aid. Furthermore, the free market will unlikely be able to supply the kind of investment funds required to offset the massive trade deficits the less developed countries are facing.

This most serious problem must be resolved. In this regard, I believe it will be necessary for an international agency to accept oil dollar deposits for re-investment in developing countries. With this approach, two agencies come to mind, the International Bank for Re-construction and Development, better known as the World Bank, and the International Monetary Fund. Although neither agency may have the exact terms of reference which would encompass the problem, they both have the trained staff and expertise which is required. The establishment of a special department under the direction of one of these agencies would likely be the most efficient method of treating the problem. Of course, effective results will require substantial international discipline and co-operation. Although some losses will undoubtedly occur, hopefully both the industrialized nations and the oil producing countries will agree to share equally in this responsibility.

On the more positive side, it does appear that the O.P.E.C. countries are now beginning to accept the fact that there are limits to the amount of money which can be invested in the short-term market. Evidence is at hand to suggest a gradual shifting into more stable long-term investments; hopefully, this trend will continue. It is also encouraging to note that some O.P.E.C. countries have unilaterally made loans to nations which are suffering increased strains from oil payment problems.

I would now like to turn my thoughts to another problem which I am sure concerns us all, inflation. First, as we all know, inflation is not a uniquely Canadian problem. The entire Western world is currently suffering from this condition. An initial, comforting explanation is to attribute our problems to external forces. I have read of many attempts by public officials to relate our rapidly increasing prices to such external factors as international oil prices, commodity speculation, crop failures and the higher prices of imported items, particularly food. Certainly, these factors have contributed to the recent price increases in the Canadian economy. Many of these factors were reflected in the consumer price index, but generally they were selective. That is, they reflected relative price increases as certain items became more scarce. Even though these price increases can cause a rise in the average price level, they are not sufficient to explain the simultaneous upward movement in all prices. This is the problem we face today.

A recent study by the Secretariat of the General Agreement on Tariffs and Trade reached some very interesting

conclusions when careful examination was made of the domestic money supplies of eleven major industrial countries. These included Canada, the United States, the United Kingdom, Japan, Belgium, France, West Germany, Italy, the Netherlands, Sweden and Switzerland. They found that from 1961 to 1969 domestic money supply in these countries increased at an average rate of 6.8% while aggregate output was increasing at a 5.4% rate. As one might expect during this period, inflation was gradual. Over the next four years, however, governments seemed engaged in a propensity to print money. Although the rate of growth in aggregate output remained near the 5% level, the average growth rates in domestic money supplies for this four-year period were 10.6%, 17.6%, 15.5% and 14%. The Secretariat concluded that the rate of growth in the money supply was well in excess of the rate compatible with reasonably stable prices. Thus, it is not surprising that what has recently been termed "double digit inflation" is now a common occurrence both here and abroad.

I do not mean to appear critical of the ultimate goals of the countries involved. All enlightened governments accept the responsibility for attempting to maintain full employment and to improve the real income levels of their citizens. It is for these reasons that they have chosen policies designed to stimulate their economies. However, two disturbing facts remain. First, no central government or monetary authority seems willing to accept responsibility for the inflationary aspect of its expansionary policies. Instead, it is typical to accept responsibility only for the benefits of growth and full employment. Second, stimulating an economy is politically much more popular than effectively fighting inflation. The application of restrictive policies in Canada is certainly unpopular with many people, but it is my sincere hope that our government will continue to show concern for the need to reduce inflation. If it disregards orthodox fiscal and monetary policy, and too quickly or too greatly stimulates our economy, I am afraid we may soon suffer another round of chronic inflation.

The final subject I would like to discuss is recent provincial legislation. The time available will only permit me to make some general remarks.

British Columbia has a truly abundant stock of natural resource wealth and a skillful, efficient work force. This combination gives us a superior ability to produce building materials. With this in hand, it is almost inconceivable, but apparently true, that we are unable to supply the basic housing needs of our citizens. In fact new rental accommodation is practically non-existent.

Approximately three years ago new federal tax legislation was drafted which substantially lowered the attractiveness of investment in rental housing. It is interesting to note that this and other legislation pertaining to housing has, over the past few weeks, been subject to considerable revision. However, let us examine the three-year period since the original legislation was implemented early in 1972.

Following the legislation, investment in rental accommodation began to decrease and rents began to increase. Although local construction of rental housing was reduced, it was still a viable operation. At this point, the only kind of reasonable provincial action would have been some program to stimulate construction. Instead, rent controls were introduced and since then construction of privately financed rental housing became virtually non-existent. One might ask, "why was construction stifled when a stimulant was needed?" The answer to this question will reveal the unavoidable and serious consequences of taking purely political action instead of solving an economic problem.

The present Provincial Government responds to symptoms when it should be concerned with solutions to long-term problems. The current rental housing shortage is only a single example. In this case, treating the symptom of rising rents, instead of encouraging building, aggravated the problem of shortages of rental housing. Furthermore, as with other programs of this type, the real costs involved were not reduced. They were shifted and probably increased. The obvious short run result of rent controls is to subsidize tenants in existing apartments at the expense of those who have invested in rental housing. In the longer term, if one looks at a city like New York, which has a lengthy history of rent controls, it is not clear that even tenants in existing controlled apartments are in an improved position. Without rent increases to cover cost increases, owners are unable to maintain the quality of their buildings. Moreover, the landlord-tenant question overshadows an even more important problem. Increasingly more people will be unable to find housing. How do you measure the cost if our children grow up and are unable to find a place to live?

I realize the Provincial Government has plans to increase publicly built housing, but it has been historically demonstrated that governments cannot produce housing as cheaply as the private sector, nor as quickly. I also doubt they will build as many units as they have eliminated by curtailing private investment. However, assuming they will build more units at a higher cost, but rents are maintained at low levels, we all know who ultimately bears the costs.

One might ask why I have picked the rental housing problem in particular for discussion. I have done so not only because it is current, but also because it represents a fundamental conflict between British Columbia's public and private sectors. It is not clear whether those in control of our provincial public sector give serious consideration to the fact that private investors require the expectation of what economists term normal profits or normal returns. If the expectation of normal profits is removed, investments from the private sector will no longer be made in British Columbia. The potential consequences of this problem can be grave, particularly over the long term. It is an observed fact, that in cities with a history of rent controls, construction is curtailed and existing buildings deteriorate or, in some cases, are even abandoned.

The removal of expectations of normal returns has already occurred in other areas of the provincial economy, and a similar reduction of investment is becoming evident in certain industrial sectors. Other industries, though not yet directly affected, may nonetheless be reluctant to increase investment in British Columbia for fear they may in the future be subject to provincial legislation which could eliminate the profitability of their investment. Even long-term contracts have recently proved to be of little value to industry in areas where the Provincial Government has taken an active interest. If these underlying attitudes continue in government and industry, there is no doubt that our province will suffer a serious deterioration of its general investment base.

I should stress that this investment base I am discussing is not just so many dollars. It is instead, the capital equipment and machinery of industry. Indeed, it represents the very tools our work force uses to earn a living. A reduction here would decrease our efficiency, reduce our ability to compete in world markets, increase our level of unemployment, and lower our standard of living.

Although I have discussed problems areas today, I do not wish to imply that I am pessimistic about the general outlook for Western Canada. The combination of our work force and resource base gives us an extremely strong potential. I am hopeful current attitudes will improve and proper government and professional management will see us all prosper.

Albert E. Hall,
Chairman and Chief Executive Officer.

Top: Vancouver, B.C. — Canada's Gateway to the Pacific.
Bottom right: Edmonton Branch — 10561 Jasper Avenue.
Bottom left: Manager Don Huie (left) and dairy farmer, William Stewart discussing farm operations. Chilliwack, B.C.



President's Report



Trevor W. Pilley, President

When Bank of British Columbia first opened its doors for business in July of 1968, the Bank had a capital base of just in excess of \$12,000,000. Since the end of the Bank's first complete fiscal year ended October 31, 1969, the total assets of the Bank have increased by over \$407,000,000 and as at October 31, 1974 amounted to over \$481,000,000.

The Bank has operated efficiently on this capital base, producing a profit every year. As your General Manager has stated, we now have 28 branches throughout British Columbia and Alberta as well as an agency in San Francisco. On its fiscal year end of October 31, 1974, total assets of the Bank were approximately \$482,000,000 and Balance of Revenue for the year, as mentioned earlier, totalled in excess of \$1.8 million.

Growth of the Bank's assets thus far has been well supported by the initial capital. However, we have now reached the point where a broadening of the capital base is considered advisable to support our continued growth.

As your Chairman has mentioned, the Directors of the Bank met this morning and I am now pleased to announce that they have authorized an offering of 255,277 shares of the unissued capital stock of the Bank to shareholders of record at the close of business on December 20th, 1974 at a price of \$15.00 per share. Shares will be issued on the basis of one new share for for each two shares held on the record date.

This offer is to expire on Friday, January 31, 1975 and shareholders may at their option pay for new shares in ten equal installments at 30 day intervals.

This is an excellent opportunity for existing shareholders to increase their holdings of the Bank's shares at a price of \$15.00 which is considerably less than the breakup value calculated as at October 31, 1974 of \$28.72. This figure allows for 50% tax payable on accumulated appropriations for losses. The growth potential and profitability of the Bank has been proven in the past 6½ years and we are confident that further increase will be achieved now that a solid customer base has been formed.

Your Directors invite your continued support and trust that all those who are eligible to take advantage of this offer will do so.

On November 19th your Chairman disclosed the Directors had approved a semi-annual dividend policy and accordingly the Directors this morning declared a dividend of 30¢ per share payable at the close of business to shareholders of record December 20th, 1974 payable February 3rd, 1975.

The next dividend will be reviewed at the Directors Meeting of July 15th. It is expected distribution will be at least equal to the dividend announced today but this will be dependent upon the Bank's earnings.

Special Report Management Profiles

TREVOR W. PILLEY
President

In May of 1974, the Bank announced the appointment of Trevor W. Pilley as President. Mr. Pilley was also elected a Director of the Bank, and serves as its Chief Operating Officer.

Mr. Pilley's career in Canadian banking spans more than three decades. He joined the Bank of British Columbia after holding various positions with one of Canada's major chartered banks from 1941 to 1974. During that period, he gained extensive senior banking experience in Eastern and Western Canada, New York and the Bahamas. Mr. Pilley also served as General Manager of branch networks in Quebec and British Columbia.

Born and educated in Montreal, Mr. Pilley is a graduate of McGill University and a veteran of the R.C.A.F. in World War II. He completed the F.I.C.B. course in banking at Queen's University.

Mr. Pilley has made his headquarters in Vancouver since 1971.



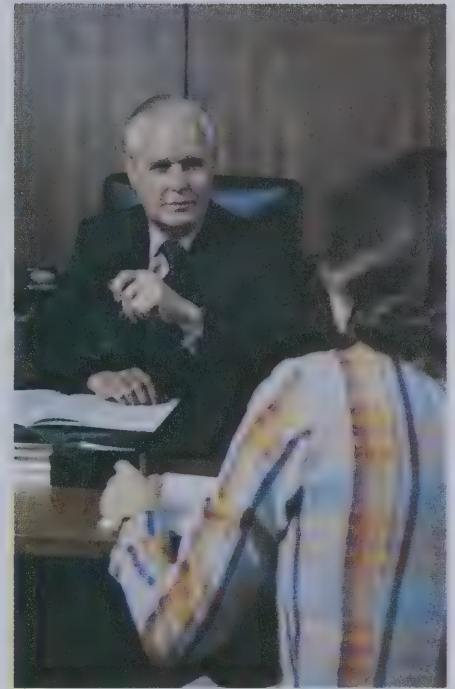
WAYNE W. ALLEN
Executive Vice President

WAYNE W. ALLEN
Executive Vice President

Mr. Allen joined the Bank of British Columbia in August, 1969 as Manager of Nanaimo branch. In March, 1973 he was appointed Assistant General Manager in charge of marketing and consumer credit. He was promoted to Vice President in November, 1973, Senior Vice President in January, 1974, and Executive Vice President in July, 1974.

Mr. Allen is responsible for the Bank's network of branches, the Personnel, Marketing and Consumer Credit divisions and the Administrative function of the Bank.

Mr. Allen was born and educated in Fredericton, New Brunswick, and is now in his 21st year of banking. A strong believer in innovation and customer service, Mr. Allen was instrumental in the Bank's introduction of two "firsts" in Canadian banking: The Western Account and the Pioneer Service Plan.



F. PETER DARLING
*Executive Vice President
International Banking*

F. PETER DARLING
Executive Vice President

Mr. F. Peter Darling has overall responsibility for the Bank's International Operations.

Before joining the Bank of B.C. as Manager, International Banking Department in April, 1968, Mr. Darling served with two other Canadian chartered banks. He was promoted to Superintendent in 1968, Assistant General Manager in 1969, Vice President in 1972 and Executive Vice President in 1973.

Born and educated in England, Mr. Darling emigrated to Canada in 1947 after serving as a Flight Lieutenant in the R.A.F. His International Banking career began in London, England, and continued in major Canadian centres. He is also involved in the academic side of banking, both as a Governor of the Institute of Canadian Bankers and as a course lecturer.

General Manager's Report

Financial results for the year which closed October 31, 1974 were achieved in a period of many complexities in the international and domestic scenes. Instability in world markets has seen 1974 produce bank failures in the United States and Europe, created primarily through the disequilibrium in world currencies. Rapidly rising prices, commodity shortages, oil pricing problems and large labour contract settlements have all combined to produce strong inflationary pressures during a period of no growth. To sum up in one word — "Stagflation."

In this climate interest rates for both borrowers and depositors were pushed to historical highs. In Canada the declared stance of the Central Bank has been accommodative, but not expansionary, and yet money supply grew at a greater pace than in 1973. Notwithstanding this rate of expansion, heavy credit demands created pressure on the system and your Bank, along with the other Canadian chartered banks, has had to exercise moderation of loan requests in order to maintain a level of liquidity consistent with good banking prudence.

Throughout this period of uncertainties, the Canadian banking system has emerged unscathed and continues to enjoy the confidence of the international markets.

Financial Statements

The key indicator of bank profitability is Balance of Revenue. For your Bank this figure in fiscal 1974 amounted to \$1,842,704, for an increase of 40.3% over the same period a year ago. Total assets grew by 51.6% from \$318 million as at October 31, 1973 to \$482 million in 1974. Revenues more than doubled over the same period a year ago while expenses increased at a relatively higher rate. This was a result of inflationary pressures which produced high cost of deposits, increasing salary costs and generally rising operating expenses.

The Balance of Revenue figure to which I have referred is the net result of the deduction of total expenses from total revenues. The tax figure which is applied to this is subject to further adjustment dependent upon the availability of tax free reserves in the statement of Accumulated Appropriations for Losses. The strong growth in assets and earnings this year has permitted your Bank to take maximum advantage of the build up of tax free Accumulated Appropriations. As you will have noted, \$549,000 was transferred from Balance of Revenue after taxes to Accumulated Appropriations which resulted in a tax credit of \$580,000. Accordingly, total provision for taxes was \$389,000 with allowance made for the effect of the 10% surcharge imposed in the November 18th federal budget. The effect of these entries is to add further strength to your Bank by bringing total Accumulated Appropriations to \$2,774,455, up from \$1,582,546 a year ago.



Victor Dobb, *Executive Vice President and General Manager*

An important contributor to the growth of your Bank this year has been the very satisfying increase in personal savings deposits. This figure more than doubled in 1974 from \$53 million to \$119 million. This growth reflects in great measure the success of our Pioneer Service Plan which incorporates the Inflation Fighter Savings Account, where interest earned is indexed to the cost of living. This plan is available only to those over 65 years of age and helps to recognize the problems of senior citizens on fixed incomes who see their hard earned savings eroded through inflation.

We appreciate the strong support we have had from all our depositors over the past year, without which our sustained growth would not have been so impressive.

Lending activity continued at a fairly strong pace, although moderation was exercised in the latter months as more stringent conditions prevailed. However, every effort was made to accommodate the needs of the small businessman. Strong emphasis was placed on improving loan mix this year through an aggressive consumer loan programme. In fact, this activity created a bulge in fourth quarter earnings. The nature of the accounting for this installment lending is such that interest is taken into income based on an estimated average yield on the portfolio. An actual calculation of earned interest is made once annually at the end of August. While we had recognized our accrual estimate was conservatively calculated, the actual calculation reflected the rising interest rate structure in the period and resulted in a favourable addition to fourth quarter earnings.

Mortgage lending was curtailed during the year due to the provisions of the Bank Act which limit the amount of conventional mortgage loans a bank may carry on its books to a formula based on Canadian dollar deposits and debentures. We did, however, continue to make mortgages available under the provisions of the National Housing Act, which are not subject to the same Bank Act restrictions. It will be of interest to our shareholders to note that in its short history, your Bank has made available in excess of \$80 million in mortgages to more than 2,700 homeowners. However, in order to comply with the aforementioned Bank Act requirements, we have over the years sold a substantial number of mortgages to a Bank sponsored mortgage company, as well as to B.B.C. Realty Investors.

International Banking

In spite of world-wide economic problems and instability in foreign exchange and money markets, the International Banking Department and the San Francisco Agency both made good progress. The past year saw a further growth in assets and earnings, with continued emphasis on wholesale business. The contribution to total Bank earnings by the two offices was again substantial.

The San Francisco Agency made rapid progress in its first full year of operation. Valuable relationships were made in the Californian business and financial community, particularly amongst other foreign banks and agencies.

During the year executives and officers of the Department visited the United States, Mexico, United Kingdom, Japan and Hong Kong.

One interesting outcome of our International Banking relationships is the establishment this year of TohCan Limited, in which your Bank has a 10% equity interest. This new vehicle is the culmination of about four years of planning and discussions with our good friends The Bank of Tokyo Limited who hold a 48% interest. While we would have preferred to have held a larger equity, Federal Government policy limits our interest to 10%. TohCan is now in operation specializing in medium and long term lending and commercial leasing. Your Bank has every expectation that TohCan will become a successful and profitable enterprise and will contribute importantly to our earnings as it becomes established.

Computer Operations

Last year it was announced that your Bank had reached the point where volumes made it essential to convert from a manual operation to electronic data processing. It is pleasing to report our computer installation has been successfully established. Conversion to demand deposit accounting is in progress with 8 branches presently receiving this service and our schedule calls for one branch per week to be added to the system. Due to delays in completing leasehold improvements and resulting postponement of equipment



Bank of B.C.'s New Computer operation, left, Sue Griffey; centre, Superintendent W. A. Franklin; right, Pushpa Pilli.

delivery the impact on this year's results was not as great as we had anticipated. We are actively examining additional computer programmes for consumer loans and savings accounts which will allow us to improve service to our customers and our competitive position in the industry.

Branch Network

During the year five new branches were opened, bringing total domestic branches to twenty-eight. Three of these new offices are in Alberta, two in Calgary and one in Edmonton. Surrey and White Rock were opened in British Columbia. The reception we have received in Alberta has been most gratifying and has encouraged us to seek new branch sites in that Province for the current year. In fact, we are actively negotiating for two new locations in Edmonton. We also expect to open two branches in British Columbia, one of which, in Langley, is scheduled for March, 1975.

Bank Services

I have referred previously to our Pioneer Service Plan which provides a wide range of services at little or no cost, along with the Inflation Fighter Savings Account, to a special group in our community. This is one way in which we recognize a social responsibility by accepting a lower spread on these funds, while at the same time we have enjoyed the confidence and support of a large new group of depositors.

One new service we will be introducing this year is the West-Bank Retirement Savings Plan. This will offer our customers a vehicle for investment of their savings to take advantage of the provisions of the Income Tax Act whereby tax exempt contributions may be made to a Registered Retirement Savings Plan.

Personnel

We have progressed through another year of rapid expansion and our personnel strength has increased from 528 to 696.

Major changes in our employee benefits have been introduced which provide an attractive package available to all personnel and it is encouraging to see that our Bank leads the way in many areas.

In addition to employee benefits it has been necessary to institute a financing plan to assist officers with their housing requirements. The Bank Act when it was revised in 1967 included a limitation of \$25,000 on loans to employees. This did not recognize the extent to which housing prices would escalate and consequently there is difficulty in assisting our personnel with their legitimate needs. Accordingly, we have introduced a programme whereby the Bank purchases houses for officers through the Bank controlled company, B.B.C. Realty Ltd., subject to an Agreement for Sale. This accounts for the activity this year which you will note in the financial statements under the heading "Statement of a Controlled Corporation" whereby \$3,800,000 has been advanced for this purpose.

During the 1973/74 academic year, the Institute of Canadian Bankers programme continued to play a very important part in our employees' outside educational involvement. The Institute formally recognizes successful completion of the ten course programme by issuing a "Fellow of the Institute of Canadian Bankers" diploma and at the present time 17 employees have received this distinction.

It is a great pleasure for me to acknowledge the fine contribution of our staff who through their loyalty and hard work are helping to build your Bank into an important financial strength. On your behalf I express sincere thanks for their efforts over the past year.

Looking Ahead

Since our fiscal year end there has been a moderation in interest rates with both the Bank Rate and prime rates of the chartered banks reduced by $\frac{1}{2}\%$. This might have occurred sooner had it not been for the Canada Savings Bond issue which underpinned the rate structure until it was withdrawn November 15th. The indicated strategy of fiscal and monetary policy at the present time is to provide some stimulus to keep the economy growing, although a significant relaxation is not anticipated until inflationary pressures ease.

With the economic uncertainties that still exist, we expect growth in assets to be more modest than in 1974. The cost benefits of our computer programme will become apparent during the year and, with Alberta operations firmly established, we look forward with some confidence to a continually improving profit picture.



Brief History of the Bank of B.C.

DECEMBER, 1966 — Charter granted, making the Bank of B.C. one of Canada's nine chartered banks.

APRIL, 1967 — Bank reaches goal of \$2.5 million from Founder-Subscribers.

MAY, 1967 — PROVISIONAL BOARD MEETS TO ANNOUNCE GOALS:

- A. Establish a financial centre in B.C. and advance the economic interests of the West.
- B. Supply banking facilities and services to meet the special needs of Westerners.
- C. Fulfill the specialized banking needs of small and middle sized businesses, and encourage industrial development in the Western Provinces.
- D. Increase and encourage foreign trade, with an emphasis on the Pacific Rim.

MAY, 1967 — Election of first permanent Board of Directors.

AUGUST, 1967 — Subscriptions closed at \$12 million after initial drive launched in June, 1967.

OCTOBER, 1967 — Bank of B.C. is granted a Certificate to Operate from the Governor General in Council.

JANUARY, 1968 — The Board of Directors appoints Albert E. Hall as Chairman, President, and Chief Executive Officer of the Bank.

FEBRUARY, 1968 — Bank of B.C. shares listed on the Vancouver Stock Exchange.

JULY, 1968 — First branch opens at 999 West Pender Street, Vancouver. The Bank of B.C. becomes the first Canadian chartered bank with its Head Office located in the West.

JANUARY, 1969 — FIRST ANNUAL MEETING HELD. The Bank of B.C. makes history as the first Canadian chartered bank to hold its Annual Meeting in the city of Vancouver.

FEBRUARY, 1970 — The Bank of B.C. becomes the first Canadian bank to offer its customers "Scenic Cheques".

JULY, 1971 — After only three years of operation, the Bank declares its first dividend.

NOVEMBER, 1971 — The Bank expands its mortgage facilities through its new companies, BBC Mortgage Ltd. and BBC Investments Ltd.

JANUARY, 1973 — The Bank continues to expand its services through BBC Realty Investors offering commercial mortgage, interim and development funds.

JULY, 1973 — The Bank of B.C. announces a 'first' in Canadian Banking... "THE WESTERN ACCOUNT", Canada's first multi-service, single fee, personal service plan.

JANUARY, 1974 — Bank of B.C. shares are listed on the Toronto Stock Exchange.

JANUARY, 1974 — The Bank announces the "PIONEER SERVICE PLAN" for senior citizens. Another 'first' in Canadian Banking. The plan eliminates ALL monthly service charges to those 65 and over. The plan also includes the new Inflation Fighter Savings Account.

JANUARY, 1974 — The Bank expands into Alberta, with branches in both Calgary and Edmonton.

MARCH, 1974 — The Bank announces participation in a new company, TohCan Limited — offering medium and long term financing as well as industrial leasing.

DECEMBER, 1974 — THE FIRST RIGHTS ISSUE. The Bank offers 255,277 shares of the unissued capital stock at a price of \$15.00 per share. Shares issued on the basis of one new share for each two shares held.

DECEMBER, 1974 — The Bank declares its fifth dividend, the first under the "SEMI-ANNUAL DIVIDEND" policy.

Photos from top:

Dealing with customers is the best part of my job," says Peggy Engles.

Photograph of North Vancouver's branch interior, is typical of all Bank of B.C. branches.

Ledgerkeeper, Sue Kirby and Administration Clerk, Elaine Gilliland performing daily audit.

Bank of B.C. offers a full range of services for all ages.



Statement of Revenue, Expenses and Undivided Profits

For the financial year ended October 31, 1974 (With comparative figures for preceding year)

	1974	1973
Revenue:		
Income from loans	\$39,013,750	\$18,517,862
Income from securities	2,142,011	1,263,304
Other operating revenue	2,392,330	1,434,071
Total revenue	<u>43,548,091</u>	<u>21,215,237</u>
Expenses:		
Interest on deposits and bank debentures	29,094,560	11,957,497
Salaries, pension contributions and other staff benefits	7,129,494	4,256,045
Property expenses, including depreciation	1,518,978	1,011,610
Other operating expenses, including provision for losses on loans based on five-year average loss experience	3,962,355	2,676,277
Total expenses	<u>41,705,387</u>	<u>19,901,429</u>
Balance of revenue	1,842,704	1,313,808
Provision for income taxes relating thereto (Note)	969,000	650,000
Balance of revenue after provision for income taxes	873,704	663,808
Appropriation for losses (Note)	549,000	250,000
Balance of profits for the year	324,704	413,808
Dividend	255,278	255,278
Amount carried forward	69,426	158,530
Undivided profits at beginning of year	<u>49,344</u>	<u>40,814</u>
	118,770	199,344
Transferred to rest account	50,000	150,000
Undivided profits at end of year	<u>\$ 68,770</u>	<u>\$ 49,344</u>

See accompanying note to financial statements.

Statement of Accumulated Appropriations for Losses

For the financial year ended October 31, 1974 (With comparative figures for preceding year)

	1974	1973
Accumulated Appropriations at Beginning of Year:		
General	\$1,577,210	\$1,327,677
Tax-paid	5,336	4,836
Total	<u>1,582,546</u>	<u>1,332,513</u>
Additions (Deductions) During Year:		
Appropriation from current year's operations	549,000	250,000
Loss experience on loans for the year less provision included in other operating expenses	345,085	(248,912)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(282,176)	(6,055)
Income tax credit relating to appropriation from current year's operations (Note)	580,000	255,000
	<u>1,191,909</u>	<u>250,033</u>
Accumulated Appropriations at End of Year:		
General	2,769,119	1,577,210
Tax-paid	5,336	5,336
Total	<u><u>\$2,774,455</u></u>	<u><u>\$1,582,546</u></u>

Statement of Rest Account

For the financial year ended October 31, 1974 (With comparative figures for preceding year)

	1974	1973
Balance at beginning of year	\$8,050,000	\$7,900,000
Transferred from undivided profits	50,000	150,000
Balance at end of year	<u><u>\$8,100,000</u></u>	<u><u>\$8,050,000</u></u>

See accompanying note to financial statements.



Statement of Assets and Liabilities as at October 31, 1974

(With comparative figures for preceding year)

Assets	1974	1973
Cash Resources:		
Cash and due from banks	\$ 79,134,772	\$ 59,885,106
Cheques and other items in transit, net	12,951,507	1,929,112
	<u>92,086,279</u>	<u>61,814,218</u>
Securities:		
Securities issued or guaranteed by Canada, at amortized value	19,114,301	7,958,742
Securities issued or guaranteed by provinces, at amortized value	1,580,633	235,551
Other securities, not exceeding market value	9,905,378	8,047,944
	<u>30,600,312</u>	<u>16,242,237</u>
Loans:		
Day, call and short loans to investment dealers and brokers, secured	36,565,450	28,744,972
Other loans, including mortgages, less provision for losses	300,770,381	206,322,023
	<u>337,335,831</u>	<u>235,066,995</u>
Bank premises, at cost less amounts written off	2,910,730	1,884,370
Securities of and loan to a corporation controlled by the Bank	4,360,000	644,208
Customers' liability under acceptances, guarantees and letters of credit, as per contra	14,052,763	1,952,221
Other assets	445,598	261,946
	<u>\$481,791,513</u>	<u>\$317,866,195</u>

Note to Financial Statements

The income tax provision for the year is included in the financial statements as follows:

	1974	1973
Statement of revenue, expenses and undivided profits	\$969,000	\$650,000
Statement of accumulated appropriations for losses	(580,000)	(255,000)
Total provision for income taxes	<u>\$389,000</u>	<u>\$395,000</u>

Liabilities

Deposits:

	1974	1973
Deposits by Canada	\$ 3,151,657	\$ 3,996,751
Deposits by provinces	6,101,405	5,741,571
Deposits by banks	44,443,328	45,139,462
Personal savings deposits payable after notice, in Canada, in Canadian currency	118,919,805	53,259,343
Other deposits	272,973,934	187,167,691
	<u>445,590,129</u>	<u>295,304,818</u>
Acceptances, guarantees and letters of credit	14,052,763	1,952,221
Other liabilities	1,099,846	821,716
Accumulated appropriations for losses	2,774,455	1,582,546

Capital Funds:

7½% debentures issued and outstanding (redeemable at holder's option in 1977, maturing 1991)	5,000,000	5,000,000
Capital stock:		
Authorized 1,000,000 shares, par value \$10 each.		
Issued and fully paid, 510,555 shares	5,105,550	5,105,550
Rest account	8,100,000	8,050,000
Undivided profits	68,770	49,344
	<u>18,274,320</u>	<u>18,204,894</u>
	<u>\$481,791,513</u>	<u>\$317,866,195</u>

Albert E. Hall, Chairman and Chief Executive Officer

Victor Dobb, Executive Vice President and General Manager

Auditors' Report to the Shareholders

We have examined the statement of assets and liabilities of Bank of British Columbia as at October 31, 1974 and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Vancouver, British Columbia November 14, 1974

In our opinion the foregoing statements present fairly the financial position of the Bank as at October 31, 1974 and the revenue, expenses and undivided profits, accumulated appropriations for losses and transactions in the rest account of the Bank for the year ended on that date.

Denham J. Kelsey, F.C.A.

of Thorne Riddell & Co.

D. C. Selman, C.A.

of Peat, Marwick, Mitchell & Co.

AUDITORS



**Bank
of B.C.**

Statement of a controlled corporation BBC Realty Ltd.

Statement of Assets and Liabilities as at October 31, 1974

(With comparative figures for preceding year)

Assets

	1974	1973
Cash in bank	\$ 4,700	\$ —
Agreements receivable	292,555	298,848
Houses held subject to agreements for sale to employees of the Bank	3,821,736	—
Land and buildings, at cost less accumulated depreciation	290,180	344,625
Other assets	1,329	735
	<u>\$4,410,500</u>	<u>\$644,208</u>

Liabilities

Accounts payable and accrued liabilities	\$ 50,500	\$ —
Loan from Bank of British Columbia	4,350,000	634,208
Capital stock:		
Authorized 10,000 shares, par value \$100 each.		
Issued and fully paid, 100 shares	10,000	10,000
	<u>\$4,410,500</u>	<u>\$644,208</u>

NOTE: The Bank owns the entire capital stock of BBC Realty Ltd. which is carried on the books of the Bank at \$10,000.

Auditors' Report to the Shareholders of Bank of British Columbia

We have examined the statement of assets and liabilities of BBC Realty Ltd., a controlled corporation, as at October 31, 1974. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Vancouver, British Columbia November 14, 1974

In our opinion the accompanying statement of assets and liabilities presents fairly the financial position of the corporation as at October 31, 1974.

Denham J. Kelsey, F.C.A.
of Thorne Riddell & Co.
D. C. Selman, C.A.

of Peat, Marwick, Mitchell & Co.

AUDITORS

Minutes of the Seventh Annual General Meeting of the Shareholders

The 7th Annual General Meeting of Shareholders of the Bank of British Columbia was held on Tuesday, December 10th, 1974 at 11:00 o'clock in the forenoon in the Vancouver Island Room, Hotel Vancouver, 900 West Georgia Street, Vancouver, B.C.

Mr. A.E. Hall requested the approval of the Meeting to the appointment of himself as Chairman and Mr. D.M. Clark as Secretary of the Meeting, and the appointment of Mr. Gordon R. Hall and Mr. Murray McDonald as Scrutineers to compute the votes of any ballots taken at the Meeting and to report thereon to the Chairman.

Upon motion by Mr. A.H. Mitchell, seconded by Mr. J.B. Smith, it was resolved that the foregoing appointments be approved.

The notice of meeting was read by the Secretary. Mr. Hall advised the meeting that he had received satisfactory proof from the Secretary of the Bank that the notice calling the meeting had been duly publicized in accordance with the Bank Act and had been sent to each shareholder of the Bank and, as a quorum was present, he declared the meeting duly constituted.

Mr. Hall then addressed the meeting as follows:

"It is very encouraging to your Board and management of the Bank to see such an excellent attendance of shareholders and guests at this the Seventh Annual Meeting of the Bank. The Statements for the fiscal year ended October 31st, 1974, which have been mailed to shareholders, will, I am sure, show that your Bank has had a successful year. Your support in directing business to the Bank during the year has contributed greatly to this result. Both total assets and earnings have shown good gains and the end results must be as satisfying to you as they are to your Board. I, personally, wish to thank each and every one of you for assisting in making the fiscal year 1974 a successful one.

Last May your Board of Directors had the pleasure of announcing the appointment of Mr. Trevor William Pilley as President and Director of the Bank. Mr. Pilley is a career banker having some 33 years banking experience with a major Canadian Bank. His senior experience was gained in positions held in Toronto, Montreal, New York, the Bahamas and Vancouver. Your Directors are most pleased to introduce Mr. Pilley to our shareholders. You unquestionably will be seeing a great deal of this gentleman in future years.

I am pleased to advise you that on January 8th, 1974 Mr. Peter Paul Saunders joined the Board of the Bank. Mr. Saunders is prominent in the industrial life of Vancouver, being Chairman and President of Cornat Industries Limited. He is also active in many local societies as a Director of the Vancouver Symphony Society, and as Vice President and Director of the Canadian Cancer Society (B.C. and Yukon Region).

Mr. Einar Maynard Gunderson will not be standing for re-election due to regulations imposed under Section 18 of the Bank Act. Mr. Gunderson was one of the five Provisional Directors responsible for a charter for the Bank of British Columbia, the sale of the shares and the formal organization for the commencement of business. He has served the Bank well since inception and I know you would wish to join me in extending our appreciation for his contributions to the Bank over this lengthy period."

Mr. Hall stated that Minutes of the Sixth Annual General Meeting had been published and circulated to all of the shareholders. Mr. Elworthy moved: "That the Minutes of the Sixth Annual General Meeting of the shareholders of the Bank held on December 11th, 1973, copies of which have been mailed to the shareholders, be taken as if read, and approved and adopted."

The motion was seconded by Mr. W.C. Mearns. Mr. Hall then requested the shareholders to mark Ballot "A" for the approval of the Minutes to be collected by the usherettes after all ballots had been marked.

Mr. Hall then stated: "Copies of the statement of assets and liabilities of the Bank and of the statements of the rest account, revenue, expenses and undivided profits, and accumulated appropriations for losses have been forwarded to every shareholder in advance of this meeting, and, as you have copies of these state-

ments before you, we will forego, with your approval, the actual reading of these statements, except for the Auditors' Report appended to the Bank's financial statement and the Directors' Report. We will be hearing shortly from the General Manager on the operations of the Bank for the fiscal year just ended. Following his comments, and my own, there will be a full opportunity for shareholders to ask questions."

The Secretary then read the Directors and Auditors Reports:

Directors' Report

"The Directors of Bank of British Columbia take pleasure in submitting to the shareholders their report on the results of the Bank's operations for the financial year ended October 31st, 1974, and the Seventh Annual Statement which contains statements of the rest account, revenue, expenses and undivided profits, accumulated appropriations for losses, and a statement of assets and liabilities as of that date, together with a statement of assets and liabilities, of the Bank's controlled corporation, BBC Realty Ltd., annexed thereto.

Since October 31st, 1973, five new branches of the Bank were opened making a total of twenty-eight branches of the Bank at the fiscal year end. An Agency of the Bank which was opened in San Francisco, California on July 12, 1973, is progressing on a very satisfactory basis.

All branches of the Bank opened prior to April 30th, 1974 have been inspected by the Bank's inspecting officers and the remainder will be inspected at an early date.

The Auditors appointed by the shareholders, D.C. Selman, C.A., and D.J. Kelsey, F.C.A., have made their examination of the Bank's affairs and their report accompanies the Annual Statements.

A.E. Hall
Chairman."

The Auditors' Report to Shareholders was then read (The Auditors' Report appears on page 15).

It was then moved by Mr. A.E. Hall, seconded by Mr. G.B. McIntosh that the annual statements for the fiscal year ended October 31, 1974 and the Directors' and Auditors' Reports thereon be adopted. Mr. Hall requested the shareholders to mark Ballot "B" for the adoption of the statements and reports. Mr. Hall then stated: "Under the provisions of the Bank Act, the shareholders are required to appoint auditors for the ensuing year. Mr. Donald C. Selman, C.A., of Peat, Marwick, Mitchell & Co., and Mr. Denham Kelsey, F.C.A., of Thorne Riddell & Co., have provided valuable service to the shareholders during the past year and it is proposed to recommend these gentlemen as the auditors for the coming year."

It was then moved by Mr. T.A. Dohm, seconded by Mr. C.E. Hall, "that Mr. Donald C. Selman, C.A., of Peat, Marwick, Mitchell & Co. and Mr. Denham Kelsey, F.C.A. of Thorne Riddell & Co., be appointed auditors of the Bank to hold office until the next Annual General Meeting and that their remuneration for the ensuing year be fixed at a sum not to exceed \$27,500 said amount to be divided between them".

Mr. A.E. Hall then requested the shareholders to mark Ballot "C" for the appointment of Auditors.

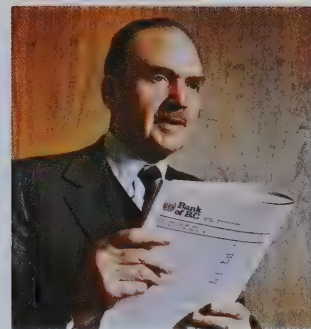
Mr. Hall stated: "The meeting now is open for the nomination of Directors for the ensuing year, sixteen to be elected, and I would ask the Secretary to read the list of proposed Directors who are eligible for election."

The Secretary then read the following names:

Russell J. Bennett, Donald M. Clark, Q.C., Ralph T. Cunningham, Thomas A. Dohm, Q.C., Harold B. Elworthy, Arthur Fouks, Q.C., Albert E. Hall, Coleman E. Hall, Kenneth A.W. Long, William C. Mearns, A. Hoadley Mitchell, G. Buchan McIntosh, Trevor W. Pilley, Patrick M. Reynolds, Peter Paul Saunders, J. Bruce Smith.

Mr. F.R. Thurston then nominated each of the persons whose name had been read by the Secretary.

Mr. Hall asked if there were any other nominations and, there being



Donald M. Clark, Q.C.,
Secretary

none, he declared nominations closed. Mr. Hall then requested shareholders to mark Ballot "D" for the election of Directors.

It was moved by Mr. Paul Fisher, seconded by Mr. R.J. Bennett, "that Albert E. Hall, or failing him Trevor W. Pilley, or failing him Donald M. Clark, be and is hereby appointed the true and lawful attorney of the Bank with power of substitution to attend and vote for and in the name of the Bank at any and all meetings of the shareholders of BBC Realty Ltd."

The Chairman then requested the shareholders to mark Ballot "E" for the appointment of attorney and requested that Ballots "A" to "E", inclusive, be collected and delivered to the Scrutineers.

Mr. Hall called upon Mr. Victor Dobb, Executive Vice President and General Manager, to give his report. (Mr. Dobb's report appears on page 8).

Mr. Hall then addressed the meeting. (Mr. Hall's Address appears on pages 2, 3 and 4).

Upon receipt of the report of the Scrutineers the Chairman announced that Ballots "A" to "E", inclusive, had been carried.

Mr. Arthur Fouks then addressed the meeting as follows:

"You have heard the reports given to you today by Mr. Hall setting out the sound and profitable position arising from the Bank's business during the last fiscal year.

The dollars and cents are, of course, very gratifying and very easy to understand. However, the prime asset of the Bank which made that financial position possible does not appear any place in the balance sheet or the profit and loss statement — by that I mean those dedicated men and women ranging from the upper echelon of management to the lowest rung of the employee ladder.

These men and women by their diligent attentiveness to the business of the Bank and very efficient and courteous service to our customers made all this possible.

In this day and age, money is the second most difficult commodity to obtain — good staff is the most difficult.

We, at the Bank of B.C., are fortunate indeed in having outstanding personnel and I therefore take this opportunity on behalf of all members of the Board of the Bank to extend our sincere congratulations and thanks to all of them."

Mrs. Deane Leung then expressed the thanks of the shareholders to the Chairman, President, General Manager and Directors for the excellent performance of the Bank during the past year.

Mr. Hall then stated: "Your Bank has grown over the past six years to a sizeable and stable institution. It has, of course, always been the desire of the Board of Directors to share the growth with our eleven thousand shareholders. In this connection, at a Board Meeting held this morning, a decision was made which I am sure will please our shareholders. I will now ask Mr. Pilley, our President, to report this to you."

Mr. Pilley then addressed the meeting. (Mr. Pilley's Address appears on page 6).

A shareholder asked if the Bank had considered adopting a form of Chargex or Master Charge. The Chairman replied that this matter is continuously under study but at the present time the cost of establishing such a service was not warranted.

A shareholder asked how many shares of the Bank were held by the Province of British Columbia. The Chairman stated that the Province owned no shares of the Bank, but that a provincial agency held 10% of the issued capital. These shares are non-voting.

There being no further questions and no further business, the Chairman then thanked the shareholders for their attendance at the meeting and declared the meeting terminated.

Albert E. Hall,
Chairman.

At the Meeting of the Board of Directors held subsequent to the Annual General Meeting of Shareholders the following Officers were elected: Albert E. Hall, Chairman and Chief Executive Officer; Trevor W. Pilley, President; Ralph T. Cunningham, Vice President; Harold B. Elworthy, Vice President; Donald M. Clark, Q.C., Secretary; Miss D. McDermott, Assistant Secretary.



MISS D. McDERMOTT
Assistant Secretary

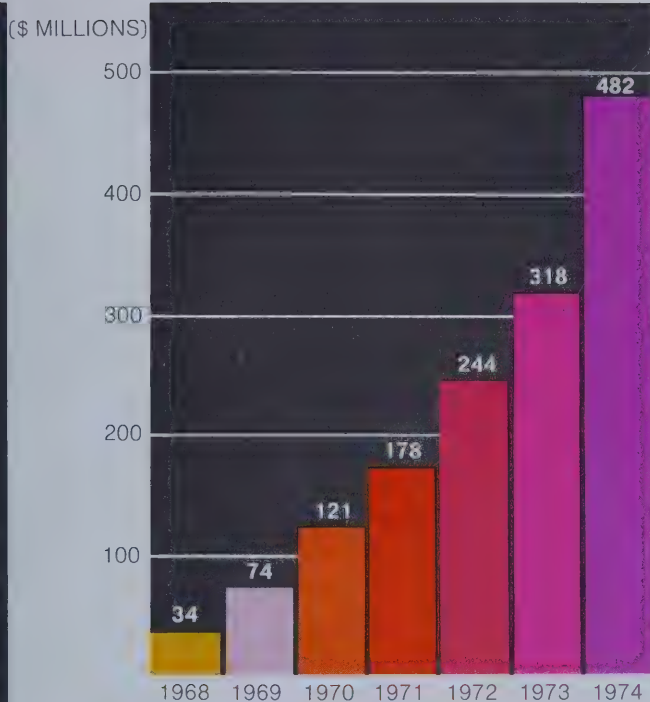
New Branch photos, from left:

Calgary Main — 444-5th Avenue S.W.

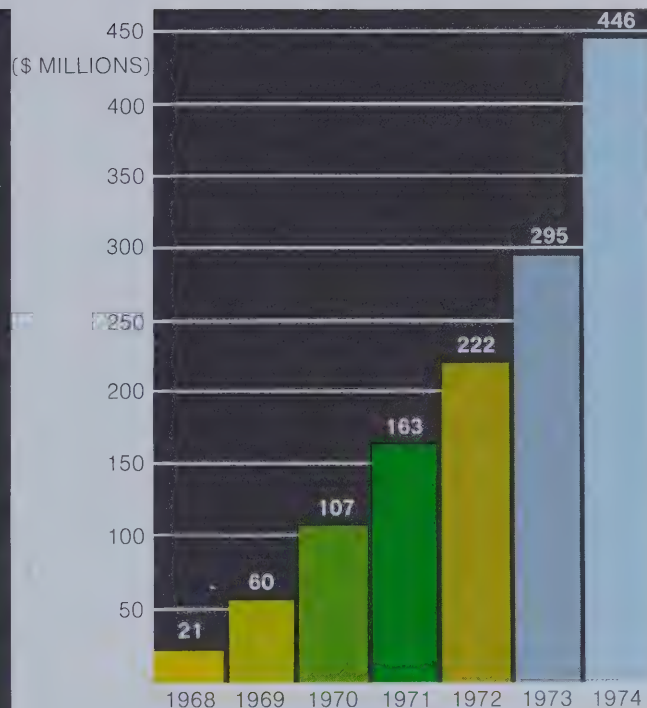
Calgary — Alberta Place-1530-4th Street S.W.

White Rock-1493 Johnston Road

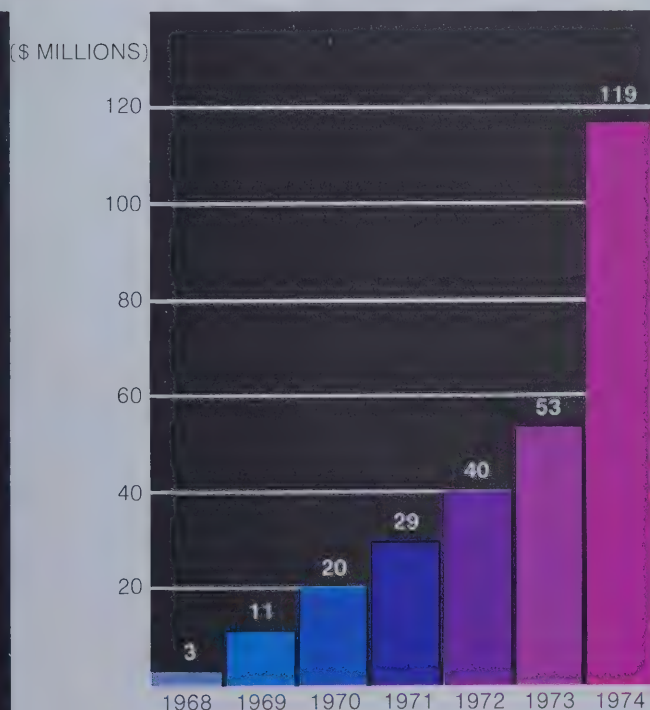




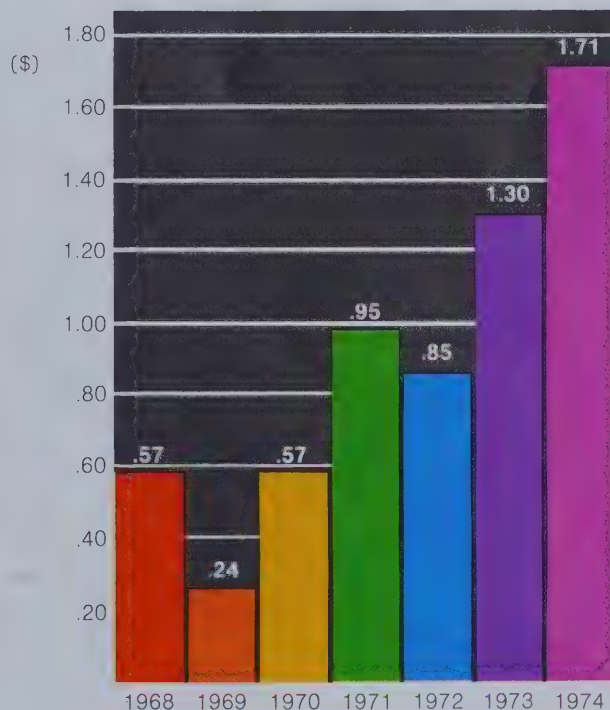
Growth of Total Assets



Growth of Total Deposits



**Growth of
Personal Savings Deposits**



**Balance of Revenue
after Provision for
Income Taxes per Share**



**Bank
of B.C.**

Seven Year Statistical Review (in thousands of dollars)

Revenue, Expenses and Undivided Profits for the Year ended October 31

	1974	1973	1972	1971	1970	1969	1968
Revenue							
Income from loans	\$39,014	\$18,518	\$11,480	\$ 7,360	\$ 5,127	\$ 2,025	\$ 593
Income from securities	2,142	1,263	1,360	2,505	1,967	1,237	352
Other operating revenue	2,392	1,434	815	518	300	123	21
Total Revenue	43,548	21,215	13,655	10,383	7,394	3,385	966
Expenses							
Interest on deposits and bank debentures	29,095	11,957	7,766	5,496	4,067	1,618	70
Salaries, pension contributions and other staff benefits	7,129	4,256	2,713	1,984	1,407	836	229
Property expenses, including depreciation	1,519	1,012	817	639	453	268	136
Other operating expenses, including provision for losses on loans based on five year average loss experience	3,962	2,676	1,555	1,340	944	541	240
Total Expenses	41,705	19,901	12,851	9,459	6,871	3,263	675
Balance of revenue	1,843	1,314	804	924	523	122	291
Provision for income taxes relating thereto	969	650	370	440	233	—	—
Balance of revenue after provision for income taxes	874	664	434	484	290	122	291
Appropriation for losses	549	250	130	283	133	70	250
Balance of profits	325	414	304	201	157	52	41
Dividends	255	255	102	51	—	—	—
Amount carried forward	70	159	202	150	157	52	41
Undivided profits at beginning of year	49	40	38	38	31	29	—
	119	199	240	188	188	81	41
Transferred to rest account	50	150	200	150	150	50	12
Undivided profits at end of year	\$ 69	\$ 49	\$ 40	\$ 38	\$ 38	\$ 31	\$ 29

Other information

Balance of revenue per share after provision for income taxes	\$1.71	\$1.30	\$.85	\$.95	\$.57	\$.24	\$.57
Dividends per share	.50	.50	.20	.10	—	—	—
Number of Branches	29	24	20	18	11	8	3

Valuation day value — December 22, 1971: \$22.25.

NOTE: For purposes of the Statistical Review, the amounts shown for the years preceding 1973 have been restated where necessary to conform to 1973 and subsequent year's presentation.

Assets and Liabilities as at October 31

	1974	1973	1972	1971	1970	1969	1968
Assets							
Cash resources	\$ 92,086	\$61,814	\$ 38,376	\$22,496	\$ 15,108	\$ 9,894	\$13,081
Securities	30,600	16,242	21,685	28,203	35,103	23,382	13,146
Loans	337,336	235,067	179,452	124,294	68,290	38,190	6,965
Bank premises (net)	2,911	1,884	1,513	1,462	1,217	1,045	561
Other assets	18,858	2,859	3,150	1,838	1,553	1,492	114
Total	\$481,791	\$317,866	\$244,176	\$178,293	\$121,271	\$74,003	\$33,867
Liabilities							
Deposits	\$445,590	\$295,305	\$221,616	\$163,312	\$107,134	\$59,638	\$20,642
Other liabilities	15,152	2,774	3,181	1,201	969	1,517	490
Accumulated appropriation for losses	2,774	1,582	1,333	936	474	311	250
Capital funds							
Debentures	5,000	5,000	5,000	—	—	—	—
Capital stock	5,106	5,106	5,106	5,106	5,106	5,106	5,106
Rest account	8,100	8,050	7,900	7,700	7,550	7,400	7,350
Undivided profits	69	49	40	38	38	31	29
Total	\$481,791	\$317,866	\$244,176	\$178,293	\$121,271	\$74,003	\$33,867

Accumulated Appropriations for Losses for the year ended October 31

Accumulated Appropriations at beginning of year:	\$ 1,582	\$ 1,333	\$ 936	\$ 474	\$ 311	\$ 250	\$ —
Additions (Deductions) during year:							
Appropriation from current year's operations	549	250	130	283	133	70	250
Loss experience on loans for the year less provision included in other operating expenses	345	(250)	147	(69)	(87)	(9)	—
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(282)	(6)	26	(9)	—	—	—
Income tax credit relating to appropriation from current year's operations	580	255	94	257	117	—	—
	1,192	249	397	462	163	61	250
Accumulated Appropriations at end of year:							
General	2,769	1,577	1,328	936	474	311	250
Tax-paid	5	5	5	—	—	—	—
Total	\$ 2,774	\$ 1,582	\$ 1,333	\$ 936	\$ 474	\$ 311	\$ 250

Rest Account for the year ended October 31

Balance at beginning of year	\$ 8,050	\$ 7,900	\$ 7,700	\$ 7,550	\$ 7,400	\$ 7,350	\$ —
Add: Premium on shares issued	—	—	—	—	—	—	7,658
Deduct: Incorporation and organization expenses less income earned for the period to October 31, 1967	—	—	—	—	—	—	320
	8,050	7,900	7,700	7,550	7,400	7,350	7,338
Transferred from undivided profits	50	150	200	150	150	50	12
Balance at end of year	\$ 8,100	\$ 8,050	\$ 7,900	\$ 7,700	\$ 7,550	\$ 7,400	\$ 7,350

Board of Directors



ALBERT E. HALL
Chairman and Chief Executive Officer



T. W. PILLEY
President



RALPH T. CUNNINGHAM
Vice President,
Executive, Vancouver, B.C.



HAROLD B. ELWORTHY
Vice President,
Executive, Victoria, B.C.



DONALD M. CLARK, Q.C.
Secretary,
Senior Partner, Clark Wilson & Co.,
Vancouver, B.C.



R. J. BENNETT
Westbank, B.C.
President, Bennett's Stores
(Kamloops) Ltd.



THE HONORABLE T. A. DOHM, Q.C.
Vancouver, B.C.
Senior Partner, Dohm, Macdonald,
Russell & Kowarski



A. FOUKS, Q.C.
Vancouver, B.C.
Senior Partner,
Bonner & Fouks, Barristers & Solicitors



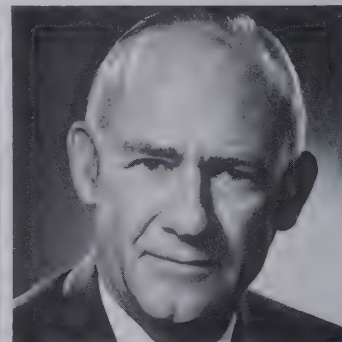
C. E. HALL
Vancouver, B.C.
President, Devonshire Hall Ltd.



K. A. W. LONG
Calgary, Alberta
President,
Integrated Wood Products Ltd.



G. B. McINTOSH
Vancouver, B.C.
Senior Partner, Lawson, Lundell,
Lawson & McIntosh



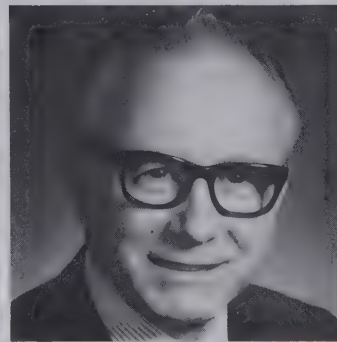
W. C. MEARNS
Victoria, B.C.
President, Rockcliffe Estates Ltd.



A. H. MITCHELL
Edmonton, Alberta
President, Mitchell & Associates Ltd.



PETER PAUL SAUNDERS
Vancouver, B.C.
Chairman and President
Cornat Industries Limited



P. M. REYNOLDS
Vancouver, B.C.
President and Chief Executive Officer,
Bethlehem Copper Corporation Ltd.



J. B. SMITH
Kelowna, B.C.
President, Okanagan Holdings Limited

Executive Officers

ALBERT E. HALL, *Chairman and
Chief Executive Officer*

TREVOR W. PILLEY, *President*

WAYNE W. ALLEN, *Executive Vice
President (Branch Operations,
Administration, Consumer Credit,
Marketing & Personnel)*

F. PETER DARLING, *Executive
Vice President (International)*

VICTOR DOBB, *Executive Vice
President and General Manager
(Credit, Investments and Corporate
Development)*

Vice Presidents

R. ERIC P. ALLAN, *Alberta Operations*
HUGH DALGLEISH, *Inspection*
CAROL J. NORDSTROM,
Administration

Assistant General Managers

HENRY J. BOW, *International*
JAMES M. A. BRIDEN, *Credit*
GORDEN H. FRIES, *Administration*
ARNOLD E. MILES-PICKUP,
Investments

Corporate Officers

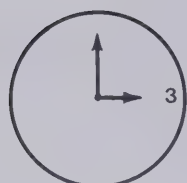
C. BETTLES,
Agent San Francisco
R.K. BURNSIDE,
Superintendent Corporate Credit
K.R. CULHAM,
Superintendent Compensation
L.J. FOWLER,
Chief Accountant

W.A. FRANKLIN,
Superintendent Data Processing
J.W. FRIES,
Manager Business Development
A.B. JENKINS,
Superintendent Personnel
K.H.G. MAY,
Superintendent Operations
G.J. MOS,
Economist

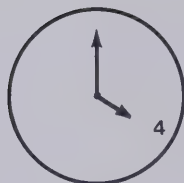
D.W. MULLER,
Superintendent Investments
G.M. O'KEEFE,
Superintendent Premises
F.M. SHARPE,
Superintendent Consumer Credit
J.F. STIMSON,
Superintendent Marketing



Edmonton Branch Manager, Jerry Kemila and Ken Landsiedel, President Petrochem Electric Ltd., viewing job site.



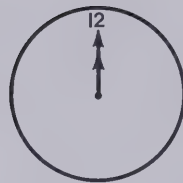
London



Frankfurt



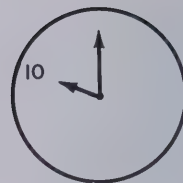
Hong Kong



Tokyo



San Francisco



New York



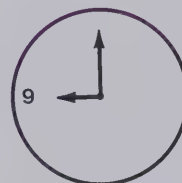
Athens



Peking



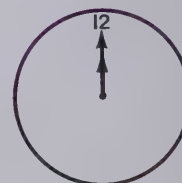
Sydney



Mexico City



Bogata



Rio De Janero

The International Banking Department of the Bank maintains an active network of correspondent banks throughout the world.

By effectively using the relationships developed with our correspondents, the Bank is able to offer complete international banking services to its clients.

The Bank recognizes the importance of the Pacific Rim trading area and has ensured itself of strong representation in this complex market area. The Bank is actively transacting business through our correspondents in the major Asian and Pacific centres including Peking, Tokyo, Singapore, Hong Kong, and West Coast North American cities.

Branches

Vancouver

Main

999 West Pender Street

M.S. ROGERS, *Manager*
J.G. WIGHTMAN, *Deputy Manager*
K.P. BOYER, *Assistant Manager*
R.S. ANTHONY, *Assistant Manager*
R.R. CLYDE, *Assistant Manager*
C.R. TRICKER, *Assistant Manager*
D.S.J. PEEK,
Assistant Manager, Administration

Broadway & Willow

800 West Broadway

J.D. AUSTEN, *Manager*

Chinatown

601 Main Street

H. FETIGAN, *Manager*
J.C.H. TSOV,
Assistant Manager & Special Representative

Denman Street

1047 Denman Street

N.R. MCKENZIE, *Manager*

Fraser & 48th

6373 Fraser Street

W.B. IBBOTT, *Manager*

937 West Georgia Street

A.C. GRAHAM, *Manager*
J.D. RATTRAY, *Deputy Manager*
J.B. CARLSON, *Assistant Manager*
B.W. FORD, *Assistant Manager*
R.R. MACKIN,
Assistant Manager, Administration
L.E. SWAYKOSKI,
Assistant Manager, WestBank Loans

Granville & 13th

2899 Granville Street

F.E. CHAMBERS, *Manager*
T.D. BATESON,
Assistant Manager, Administration

Hastings & Penticton

2599 East Hastings Street

W.A. BAIRD, *Manager*
P.R. PANCHYSHYN, *Assistant Manager*
B.M. KEITH,
Assistant Manager, Administration

Kerrisdale

2164 West 41st Avenue

D. DUKE, *Manager*

North Vancouver

1457 Lonsdale Avenue

J.W. SORENSON, *Manager*
R.G. POWYS-LYBBE,
Assistant Manager
W.B. NICHOLSON,
Assistant Manager, Administration
D.W. MCGEE,
Assistant Manager, WestBank Loans

West Vancouver

1645 Marine Drive

M. MAZURUK, *Manager*

Fraser Valley

Abbotsford

33700 Essendene Avenue

G.P. WILLIAMS, *Manager*

Chilliwack

1 Main Street

G.T. FEARNLEY, *Manager*

Lower Mainland

New Westminster

731 Columbia Street

D.J. HUIE, *Manager*
R.O. ABRAMS, *Assistant Manager*
P.W. WISHLOFF,
Assistant Manager, Administration
T.L. BENINGER,
Assistant Manager, WestBank Loans

Richmond

680 No. 3 Road

C.A. HETHERINGTON, *Manager*

Surrey

10241 King George Highway

R.W. DREVANT, *Manager*

White Rock

1493 Johnston Road

P.T. WEBB, *Manager*

Interior

Cranbrook

1001 Baker Street

H.D. LUNDELL, *Manager*

Kamloops

380 Victoria Street

L.C. EARLE, *Manager*
E.H. SMITH,
Assistant Manager, Administration

Kelowna

313 Bernard Avenue

C.A. BIRTCH, *Manager*

Penticton

294 Main Street

V.N. DAVIES, *Manager*

Vernon

3321 Barnard Avenue

L.V. ROSSNER, *Manager*
B.R. HEWSON, *Assistant Manager*
D.M. BAKER,
Assistant Manager, Administration

Island

Victoria

Main

752 Fort Street

K.R. GIBBS, *Manager*
M.R. FEIST, *Assistant Manager*
J. DOHERTY,
Assistant Manager, Administration

Douglas & Johnson Streets

1327 Douglas Street

H.J. STEELE, *Manager*
Mrs. M. MAKARA,
Assistant Manager, Administration

Nanaimo

70 Commercial Street

J.C. WRIGHT, *Manager*
K.E.H. BEENS, *Deputy Manager*
B.J. WESTON, *Assistant Manager*
R.F. MURRAY,
Assistant Manager, Administration
J.E. HALLER,
Assistant Manager, WestBank Loans

Alberta

Calgary Main

444-5th Avenue, S.W.

D.H. PENDER, *Manager*
G.T. CAMERON, *Assistant Manager*
D. TUNNICLIFFE,
Assistant Manager, Administration

Alberta Place

1530-4th Street, S.W.

F.W. GOODMAN, *Manager*

Edmonton

10561 Jasper Avenue

J.D. KEMILA, *Manager*
R.B. CAMERON, *Assistant Manager*
R.S. BRYSON, *Assistant Manager*
J.D. BOURGEOIS,
Assistant Manager, Administration

Services

Bank of British Columbia's full range of Services includes:

- Inflation Fighter Savings Account
- Pioneer Service Plan
- Western Account
- WestBank Savings Account
- Chequing Savings Accounts
- Personal Chequing Accounts
- Certificates of Deposit
- Current Accounts
- WestBank Retirement Savings Plan
- WestBank Loans
- Automobile Loans
- Mobile Home Loans
- Pleasure Boat Loans
- Student Loans
- Home Improvement Loans
- Business Loans
- Farm Improvement Loans
- Fisheries Improvement Loans
- Mortgage Loans
- Drafts
- Money Orders
- Money Transfers
- Night Depository
- Safety Deposit Boxes
- Safekeeping
- Travellers Cheques
- Travellers Letters of Credit
- Commercial Letters of Credit
- Securities Transactions
- Foreign Exchange
- Bank-by-mail
- Bankers' Acceptances



**Bank of
British Columbia**

Canada's Western Bank

